



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF INTELLECTUAL DISABILITIES SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TN 37243**

TITLE: Housing Costs Subsidy

POLICY #: P – 010 – D

- A. PURPOSE:** The purpose of this policy is to provide clarification about the eligibility criteria for a Housing Costs Subsidy and the process for requesting and authorizing the subsidy.
- B. APPLICABILITY:** This policy applies to staff of the Division of Intellectual Disabilities Services (DIDS) who are responsible for authorizing requests received by DIDS for a state-funded Housing Costs Subsidy. The policy is applicable to any new request for a Housing Costs Subsidy or to any request to renew or revise an existing Housing Costs Subsidy.
- C. DEFINITIONS:**
1. **“Class Member”** means an individual meeting the requirements in the definition of the class specified in one of the following:
 - a. *People First of Tennessee, et.al. v. Clover Bottom Developmental Center, or*
 - b. *United States of America v. State of Tennessee, et.al. (Arlington Developmental Center).*
 2. **“Essential Utility Service”** means electric power service, water and sewer service, or natural gas or other fuels for heating (e.g., gas, oil, coal).
 3. **“Housing Subsidy”** means a state-funded subsidy provided by the Division of Intellectual Disabilities Services prior to September 1, 2007, to assist individuals who received Supported Living services with making lease, rent, or mortgage payments.
 4. **“Housing Costs Subsidy”** means state funding provided by the Division of Intellectual Disabilities Services to assist individuals who receive Supported Living services with making lease or rent payments and payments for certain utility and related services specified in Section D.1.c and d.
 5. **“Supported Living”** means a residential service that meets the waiver service definition of Supported Living as specified in the following Home and Community Based Services (HCBS) waivers and that is provided by a qualified provider:
 - a. Home and Community Based Services Waiver for the Mentally Retarded and Developmentally Disabled (#0128.90.R2A.02) and any amendments thereto; and
 - b. Home and Community Based Services Waiver for Persons with Mental Retardation (#0357.90.02) and any amendments thereto.

D. DESCRIPTION OF POLICY

1. Expenses for which a Housing Costs Subsidy may be used: A Housing Costs Subsidy shall only be authorized to assist an individual who receives Supported Living services with the following:
 - a. Rent or lease payments;
 - b. Mortgage payments for an individual who was initially authorized by DIDS to receive such payments on or before August 31, 2007;
 - c. Essential Utility Services:
 - (1) Electric power service;
 - (2) Water and sewer service;
 - (3) Natural gas or other fuels for heating (e.g., gas, oil, coal); and
 - d. Related Services:
 - (1) Trash disposal service;
 - (2) Basic telephone service for either a land line or cell phone but not both (not to exceed the rate for a discounted residential telephone service such as Lifeline if available); and
 - (3) Lawn mowing service.
2. Eligibility: To be eligible to receive a Housing Costs Subsidy:
 - a. The service recipient must be receiving a Supported Living residential service in the state of Tennessee;
 - b. The service recipient must either be:
 - (1) A Class Member; or
 - (2) A person who is not a Class Member but who was approved for and was receiving a Housing Subsidy state funded by DIDS as of August 31, 2007; and
 - c. There must be documentation that the service recipient has insufficient funds to cover reasonable rent, lease, or mortgage payments (subject to the limits specified in sections D.1.a and B.1.b. above) and other reasonable residential costs on an ongoing basis without a Housing Costs Subsidy.
3. Filing a request for a Housing Costs Subsidy:
 - a. To request a Housing Costs Subsidy, the Supported Living provider agency must submit a completed request form (or an electronic equivalent when available) to the DIDS Regional Director or designee for review. Request forms may be obtained from the DIDS Regional Office or from the DIDS website.
 - b. A request for a Housing Costs Subsidy must be submitted:
 - (1) At least 30 calendar days prior to the requested start date of an initial request for a Housing Costs Subsidy;
 - (2) At least 30 calendar days prior to the expiration date of the service recipient's existing Housing Costs Subsidy;

- (3) At least 30 calendar days prior to the date the service recipient relocates to a different Supported Living home;
 - (4) Within 30 calendar days of a change in the number of service recipients living in the service recipient's Supported Living home;
 - (5) Within 30 calendar days of a significant increase (e.g., 20%) in the service recipient's income (both earned and unearned); and
 - (6) Within 30 calendar days of a change in the service recipient's financial circumstances such that the existing subsidy is inadequate to meet the service recipient's residential cost needs.
- c. Bank statements for the most recent 2 months must be submitted with the request for a housing costs subsidy.
 - d. The Individual Support Plan does not have to be amended to request a Housing Costs Subsidy.

4. Authorization of a Housing Costs Subsidy

- a. The authorization period for a Housing Costs Subsidy shall be limited to a maximum of one (1) year except in special circumstances where DIDS has determined that a shorter or longer authorization period is warranted.
- b. Rent, lease, and mortgage payments, as specified in Section D.1.a., shall not exceed the HUD User Fair Market Rent for the current year for the applicable county in Tennessee, except in the following circumstances:
 - (1) When the Deputy Commissioner or designee has authorized a short-term increase to accommodate a service recipient who had a lease in effect as of September 1, 2008, with a monthly payment more than the HUD User Fair Market Rent;

To provide time to complete the lease period or to arrange for other housing with appropriate environmental accessibility modifications, the DIDS Deputy Commissioner or designee may authorize a rent or lease payment that exceeds the HUD User Fair Market Rent through the specified end date of the lease or through an alternate end date, provided that such end date is on or before December 31, 2010. The residential provider shall submit a copy of the lease which documents the monthly payment and the period of the lease.
 - (2) When a Special Exception Add-On has been authorized by the Deputy Commissioner in accordance with Section D.6.f.(2).
- c. A Housing Subsidy that was authorized by DIDS prior to September 1, 2007, shall be valid for a one-year period from the date of its authorization or until the assigned expiration date is reached, whichever occurs first.
- d. An authorized Housing Costs Subsidy shall expire:
 - (1) When the authorization end date has been reached;
 - (2) If the service recipient relocates from a Supported Living home to another type of residence and no longer receives services in a DIDS-approved Supported Living home in Tennessee;
 - (3) If the service recipient relocates to a different Supported Living home in Tennessee; or

- (4) Upon assignment of a revised authorization date as specified in Section B of this policy.
 - e. A Special Exception Add-On or a rent or lease payment that exceeds the HUD User Fair Market Rent must be authorized by the DIDS Deputy Commissioner or designee. Otherwise, the DIDS Regional Director or designee may authorize a Housing Costs Subsidy in accordance with this policy.
5. Revising the amount of the Housing Costs Subsidy: The amount of the Housing Costs Subsidy may be increased or decreased in accordance with the following:
- a. The amount may be proportionately reduced if:
 - (1) The service recipient's income increases;
 - (2) The service recipient's expenses decrease;
 - (3) There is an increase in the number of housemates in the Supported Living home;
 - (4) The service recipient moves to a different Supported Living home which is less expensive than the previous Supported Living home.
 - b. Subject to the limit on residential rent, lease, and mortgage payments specified in sections D.1.a and D.1.b. above, the amount may be proportionately increased if:
 - (1) The service recipient's income decreases;
 - (2) The service recipient's expenses increase;
 - (3) There is a decrease in the number of housemates in the Supported Living home;
 - (4) The service recipient moves to a different Supported Living home which is more expensive than the previous Supported Living home.
 - c. DIDS reserves the right to review the service recipient's income and expenses at any time to ensure that the conditions represented at the time of the request are still valid.
6. Determination of the Housing Costs Subsidy: The determination of the amount of a Housing Costs Subsidy shall be at the sole discretion of DIDS and shall be based on an assessment of income and expenses in accordance with the following:
- a. **Recurring Housing Expenses** shall be determined based on the projected costs of the expenses of services specified in Section D.1.a through D.1.d above.
 - b. For purposes of determining the amount of the Housing Costs Subsidy, DIDS shall establish a maximum **DIDS Personal Expense Allowance** that is applicable to Class Members receiving Supported Living services.
 - c. **Total Income** of the service recipient shall be determined by including:
 - (1) Food stamps;
 - (2) Other unearned income (e.g., SSI income, VA income, SSA/SSDI income); and
 - (3) Earned income that exceeds \$1200 per calendar year.

- d. **Allowable Expenses** shall be calculated by adding the Recurring Housing Expenses (Section D.6.a above) and the DIDS Personal Expense Allowance (Section D.6.b above).
- e. If the Class Member's Allowable Expenses exceed the Class Member's Total Income, the difference will be the **Class Member's Housing Costs Subsidy**. The Class Member's **Housing Costs Subsidy**, if any, shall be determined by subtracting the Allowable Expenses from the Total Income (Section D.6.c) as shown below:

(1)	plus	Recurring Housing Expenses DIDS Personal Expense Allowance	

		Allowable Expenses	
(2)	minus	Total Income Allowable Expenses	

		Class Member's Housing Costs Subsidy (if a negative number)	

- f. Special Exception Add-Ons by the Deputy Commissioner:

- (1) In exceptional circumstances where a Class Member's medical or behavioral condition results in recurring personal expenses substantially higher than the established DIDS Personal Expense Allowance (Section D.6.b above), the Deputy Commissioner or designee shall have the discretion to authorize a **Special Exception Add-On**.
- (2) In exceptional circumstances, the DIDS Deputy Commissioner or designee may authorize a **Special Exception Add-On** to supplement a rent or lease payment exceeding the HUD User Fair Market Rent to accommodate a non-ambulatory service recipient with extensive and substantial specialized seating and mobility equipment needs, in accordance with the following:
 - (a) The non-ambulatory service recipient must have specialized seating and mobility equipment needs that are so extensive and substantial that:
 - i. A unique floor plan or substantial additional space is required to accommodate the specialized seating and mobility equipment; and
 - ii. The need for such a unique floor plan or substantial additional space to accommodate the specialized seating mobility equipment requires the rental or lease of a residence at a rate which exceeds the HUD User Fair Market Rent.
 - (b) A Special Exception Add-On shall not be provided if the service recipient uses a standard wheelchair, folding wheelchair, or other type of wheelchair, specialized seating, or mobility equipment that can be reasonably accommodated in a residence (or a residence modified through Environmental Accessibility Modifications) at a rate that would not exceed the HUD User Fair Market Rent.
 - (c) The DIDS Deputy Commissioner or designee may authorize the Special Exception Add-On to supplement a rent or lease payment for the non-ambulatory service recipient as well as

other service recipients in the home who share the rent/lease payment, provided that the non-ambulatory service recipient continues to reside in the home. When more than one service recipient resides in the home, the Special Exception Add-On shall be prorated based on the number of service recipients in the home.

- (d) The DIDS Deputy Commissioner or designee may authorize the Special Exception Add-on to supplement rent or lease payment for over-the-counter medications or co-pays for the service recipients who demonstrate need.

7. Payment: Payment for an authorized Housing Costs Subsidy shall be made to the Supported Living provider who shall use it on behalf of the service recipient for eligible expenses in accordance with this policy. The Supported Living provider must document that the Housing Costs Subsidy was deposited into the Class Member's checking account.

E. ATTACHMENTS


1. *Request for Housing Costs Subsidy form*
2. *Instructions for Completing the Request for Housing Costs Subsidy Form*

- F. PREVIOUS POLICY**: DIDS Policy # P-010-A (November 19, 2007); DIDS Policy # P-010-B (October 1, 2008); DIDS Policy #P-010-C (July 2, 2009).

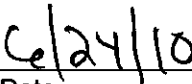
- G. DATE APPROVED BY TENNCARE**: Not applicable

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H. POLICY APPROVAL



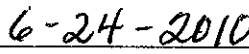
Signature of Assistant Commissioner
Office of Policy and Rules



Date



Signature of Deputy Commissioner
Division of Intellectual Disabilities Services



Date

REQUEST FOR HOUSING COSTS SUBSIDY

Name of Service Recipient: _____ Phone Number: _____ County of Residence: _____

Date of Birth: _____ Social Security Number: _____

Name of Supported Living Provider: _____ Number of Service Recipients in the Home: _____ Number of Bedrooms in the Home: _____

RECURRING HOUSING EXPENSES			INCOME		
Item	Average Cost Per Month	Cost Per Year	Income Source	Average Income Per Month	Income Per Year
Rent (or mortgage payment if initially authorized on or before August 31, 2007)			SSI		
Electric power service			VA		
Water and sewer			SSA/SSDI		
Natural gas or heating fuel			Food Stamps		
Trash disposal service			Other Unearned Income		
Telephone service (one phone)			Earned Income Exceeding \$1200 per Calendar Year		
Lawn mowing service			TOTAL INCOME		
PERSONAL EXPENSES			REQUEST FOR SUBSIDY		
	Amount Per Month	Amount Per Year	Attach a letter of justification if there are exceptional circumstances.		
DIDS Personal Expense Allowance				Average Subsidy Per Month	Total Subsidy Per Year
ALLOWABLE EXPENSES					
	Amount Per Month	Amount Per Year			
Amount Requested for Class Member's Housing Costs Subsidy					
Special Exception Add-On (for recurring personal expenses)					
Special Exception Add-On (to supplement rent/lease payment)					
ALLOWABLE EXPENSES			TOTAL SUBSIDY REQUESTED		

NOTE: Bank statements for the most recent 2 months must be submitted with the request for a housing costs subsidy.

INSTRUCTIONS FOR COMPLETING THE REQUEST FOR HOUSING COSTS SUBSIDY FORM

RECURRING HOUSING EXPENSES: Expenses must be prorated based on the number of service recipients in the home (i.e., the amount must be divided by 1, 2, or 3 housemates). Expenses which vary from month to month should be annualized and the average cost per month should be calculated.

1. **Rent:** Rent, lease, or mortgage payments shall not exceed the HUD User Fair Market Rent for the current year for the applicable county in Tennessee unless authorized by the Deputy Commissioner (Section D.4). Prorate the amount based on the number of service recipients in the home. Include mortgage payment expenses only if they were authorized prior to September 1, 2007, and prorate the mortgage payment, if applicable, for co-owned homes.
2. **Electric power service:** Use the 12-month average expense as documented by the utility company. If there is no history at that address, so indicate. Then prorate based on the number of service recipients in the home.
3. **Water and sewer:** Use the 12-month average expense as documented by the utility company. If there is no history at that address, so indicate. Then prorate based on the number of service recipients in the home.
4. **Natural gas or heating fuel:** Use the 12-month average expense as documented by the utility company. If there is no history at that address, so indicate. Then prorate based on the number of service recipients in the home.
5. **Trash disposal service:** Use the 12-month average expense as documented by the trash disposal company. If there is no history at that address, so indicate. Then prorate based on the number of service recipients in the home.
6. **Telephone service:** Telephone service expense shall not exceed the rate for a discounted residential telephone service such as Lifeline, if available. If such a discounted residential telephone service is not available, use the 12-month average expense as documented by the utility company, but do not exceed a maximum of \$30.00 per month (or \$360.00 per year). If there is no history at that address, so indicate. Then prorate based on the number of service recipients in the home. The prorated amount can be applied to either a land-line phone or a cell phone.
7. **Lawn mowing service:** Use the 12-month average expense as documented by the lawn service company, but do not exceed a maximum of \$30.00 per month (or \$360.00 per year). If there is no history at that address, so indicate. Then prorate based on the number of service recipients in the home.

PERSONAL EXPENSES: The maximum allowed amount for the DIDS Personal Expense Allowance is \$375.00 per month, which includes a maximum of \$250.00 for food and a maximum of \$125.00 for other personal expenses. If there is no food cost because the person is tube fed, the maximum allowed amount for the DIDS Personal Expense Allowance would be \$125.00 per month.

ALLOWABLE EXPENSES: Add the Recurring Housing Expenses and the DIDS Personal Expense Allowance to determine the Allowable Expenses.

INCOME: Income which varies from month to month should be annualized and the average income per month should be calculated.

1. **SSI:** Include the annual and monthly average SSI income, if applicable.
2. **VA:** Include the annual and monthly average VA income, if applicable.
3. **SSA/SSDI:** Include the annual and monthly average SSA/SSDI income, if applicable.
4. **Food Stamps:** Include the annual and monthly average amount for food stamps, if applicable.
5. **Other Unearned Income:** Include the annual and monthly average unearned income, if applicable.
6. **Earned Income:** Include the annual and monthly average earned income exceeding \$1200 per calendar year.
7. **TOTAL INCOME:** Add SSI, VA, SSA/SSDI, food stamps, other unearned income, and earned income exceeding \$1200 to determine the Total Income.

REQUEST FOR SUBSIDY: Determine the **Total Subsidy Requested** for the Class Member by adding the following:

1. The amount of the **Class Member's Housing Costs Subsidy** (as described in Section D.6.e); and
2. The amount of **Special Exception Add-On(s)** (if applicable, as described in Section D.6.f). Note: A letter of justification describing the special circumstances must be submitted to the Deputy Commissioner for review and approval. Prorate a Special Exception Add-On to supplement a rent/lease payment based on the number of service recipients in the home.